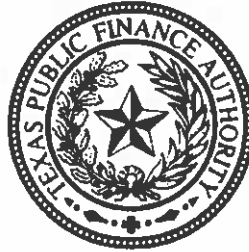


# TEXAS PUBLIC FINANCE AUTHORITY

## BOARD OF DIRECTORS:

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EXECUTIVE DIRECTOR  
Lee Deviney

## MAILING ADDRESS:

Post Office Box 12906  
Austin, Texas 78711-2906

## PHYSICAL ADDRESS:

300 West 15th Street, Suite 411  
Austin, Texas 78701

TELEPHONE: (512) 463-5544

FACSIMILE: (512) 463-5501

## Supplemental Summary for the FY 2022 Semi-Annual HUB Report for Agency 347

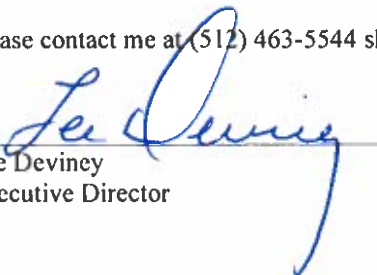
In compliance with Texas Government Code, Chapter 2161, the Board of the Authority has adopted the Comptroller's Statewide HUB Utilization Goals (34 TAC §20.284), as well as more detailed procedures for HUB participation goals in bond issues, in compliance with the published rules. These procedures are included in the Authority's strategic plan and reflected in its bond underwriting policies.

For negotiated bond underwritings approved during the FY 2022-2023 biennium, the Board has selected a pool of sixteen (16) underwriting firms that includes three disadvantaged business enterprise (DBE) firms. Additionally, the Board selected a pool of three (3) Financial Advisors that includes one (1) HUB firm. Under the Authority's contracts for legal services for Bond Counsel during the same period, the Board pre-qualified a pool of eight (8) law firms, two (2) of which are HUB's. During the FY 2022 Semi-Annual reporting period, the Authority closed on a negotiated bond transaction. In accordance with its procedures for negotiated bond sales, underwriters are selected from the Authority's underwriting pool on a transaction-by-transaction basis. Underwriting fees are not reflected in the agency's expenditures as underwriting fees are netted from bond proceeds prior to deposit into the Treasury. The negotiated bond sale concluded during this period included two (2) DBE firms participating in the underwriting syndicate, receiving 19.97% of the overall underwriter compensation paid on the transaction. A HUB firm served as disclosure counsel on the negotiated bond sale and will receive 100% of fees paid for disclosure counsel services. Additionally, DBE firms were selected to perform financial printing and escrow verification services, receiving 100% of the compensation paid for their respective services on the negotiated bond transaction. The Authority reports expenditures related to bond issues to the Bond Review Board on a per issue basis, sixty (60) days after closing.

For the first six months of FY 2022, \$361,173.98 or 86.30% of the Authority's total expenditures were related to Costs of Issuance and the ongoing administration of bonds (Bond Administration). These include expenses such as rating agency, paying agent, escrow agent, and arbitrage compliance services to satisfy bond covenants, services that are only available from a few large service providers where HUB and/or DBE firms are not available or lack qualifications to perform required services.

The Authority is committed to purchasing goods and services from certified HUB's and minority-owned businesses and continues to utilize the CPA Central Master Bidders List to locate available HUB vendors. Excluding Costs of Issuance and Bond Administration expenditures, the Authority achieved 15.23% HUB participation from administrative expenditures during this period.

Please contact me at (512) 463-5544 should you have any questions.

  
Lee Deviney  
Executive Director